2.8 Accounts Payable

2.8.1 Objective

Accounts Payable is the sub-module in which the financial accounting transactions involving vendors and employees are recorded and administered. All postings in Accounts Payable are recorded simultaneously in General Ledger. The components of Accounts Payable will be closely integrated with components of Materials Management to support an automated Procurement Cycle. The Accounts Payable sub-module contains the following features:

- A reporting function to monitor vendor activity
- An Outgoing Payment program, which supports all of the standard Payment Methods (including checks and wire transfers) in printed form as well as in electronic form (data medium exchange on diskette and data transmission)
- Balance confirmations, account statements and other forms of correspondence with vendors to support business requirements

The current State process includes the generation of a voucher request from the agencies that is submitted to the central finance team within the Comptroller General's Office. The voucher package may include multiple requests (invoices) to a single vendor. Under the SCEIS solution, each invoice processed within the accounts payable solution will represent its own voucher. The payment process will accumulate the individual invoices for a consolidated document to the vendor.

The State's processes also includes the ability for agencies to request a 'special' payment. Special payments are ultimately an emergency based payment whereby the requestor is asking for an immediate turn around in the auditing and generation of the check for a specific vendor. Specials occur for nearly every agency and are indicated with a separate flag on the payment transaction. In order to process these under the SCEIS solution, the payment terms will be established such that an emergency or special payment can be identified and selected independent of the normal payment run transactions.

The ability to generate 1099 transactions will remain a centralized task under the SCEIS solution. The 1099 processing is a system process more than a business process provided the solution is setup to identify and select the appropriate business transactions. The 1099 process begins with establishing the vendor as a 1099 vendor. The next process is creating the appropriate withholding tax parameters within the configuration of the solution. The solution provides the standard 1099 Miscellaneous codes. The limits and setup will be validated. Additional withholding tax codes can be established for other 1099 categories. Withholding tax tools are available to generate electronic 1099 reports for verification and submittal to the federal government.

The accounts payable functionality will be implemented to satisfy the State of South Carolina's vendor recording and processing requirements. During the Business Blueprint workshops, the team did not find any South Carolina Accounts Payable requirements that would require modifications to the SAP software. The accounts payable functionality will be implemented without modifications and will be configured to support centralized administration. Refer to Cash Management for requirements surrounding cash controls.

2.8.2 Process Definition

Master Data

Vendor Master

Please see the Material Management section of this document for a full discussion on the vendor master. The following decisions were made relating to the vendor master:

- The State will use the SCEIS solution standard account groups; however, a need for additional account groups may arise from the Agency Implementation Plans.
- The State will allow the system to internally assign vendor numbers and will define its number ranges as part of the realization activities.
- The State will utilize the bank data of a vendor within the Payment Program to support the generation of an electronic payment to a vendor.
- The State will use the standard SCEIS solution payment terms (Net 30) that may support specific vendor terms; however an additional payment term to support the requirement for a 30-business day payment term (versus 30 calendar days) will be created.
- Tolerances will be set at zero percent.

Document Principle

Please see the General Finance section of this document for a full discussion on the document principle. As the document principle relates to accounts payable, the following decisions were made:

- The State will use internally assigned numbers for all accounts payable document types
- The State will be responsible for defining all number ranges
- The State will use standard SCEIS solution posting keys

Posting

Please see the General Finance section of this document for a full discussion on document posting. As document posting relates to accounts payable, the following decisions were made:

- The State will use Enjoy postings for all accounts payable transactions

Validations, Substitutions & User Exits

Please see the General Finance section of this document for a full discussion on validations, substitutions and user exits. As those three items relate to accounts payable, the following decisions were made:

- The State will not have any validations, substitutions or user exits for accounts payable processing
- It is noted that the need for this functionality may arise from the Agency Implementation Plans

Document Types

The State will post accounts payable documents directly in the sub-ledger, which do not originate from another SCEIS solution component. Such entries could be to make direct payables, credit memos without reference or corrections to a vendor account as part of the period end process.

In the SCEIS solution, the State will be able to post only complete documents. Please see the General Finance section of this document for a full discussion on document types. As document types relate to accounts payable, the following decisions were made:

- The State will use standard SCEIS solution document types for accounts payable processing

- The State will add two new document types for the Accounts Payable part of the IDT process and Travel
- It is noted that the need for additional document types may arise from the Agency Implementation Plans

Periodic Postings

Please see the General Finance section of this document for a full discussion on periodic postings. As periodic postings relate to accounts payable, the following decisions were made:

- Blueprint sessions determined that there was not a need for centralized recurring documents, sample documents or account assignment models
- It is noted that the need for this functionality may arise from the Agency Implementation Plans

Preliminary Postings

Please see the General Finance section of this document for a full discussion on preliminary postings. As preliminary postings relate to accounts payable, the following decisions are made:

- The State will use Hold and Park functionality for accounts payable processing

Workflow

Please see the General Finance section of this document for a full discussion on workflow. As workflow relates to accounts payable, the following decisions were made:

- The State will use workflow to facilitate the following accounts payable processes:
  - Acceptance of a new vendor master record
  - Changes to a vendor master record, including deletion
  - Invoice approval by Agency supervisor
  - Invoice approval by Comptroller General’s office
  - Cash approval by Treasurer’s office
  - IDT process, sending bill to Agency
  - IDT process, sending payment to Agency

Document Changes

Please see the General Finance section of this document for a full discussion on document changes. As document changes relate to accounts payable, the following decisions were made:

- The State will use True Reversal functionality

Clearing

Please see the General Finance section of this document for a full discussion on document clearing. As document clearing relates to accounts payable, the following decisions were made:

- The State will not offset vendor and customer accounts
- The State will not automatically clear payment differences
- The State's Accounts Payable tolerances will be set at zero

Dunning

Dunning is the process of notifying vendors that an unpaid or unapplied obligation has become past due. Within Accounts Payable, dunning is generally involved when a credit memo has been issued by a vendor, however, no additional activity has occurred to allow the organization to reduce the payment by the credit amount. The State will utilize a single dunning area as described in the General Ledger section of this document. In addition, optional dunning areas may be created based on different dunning policies or business areas that are responsible for dunning. The need for additional dunning areas will be reviewed as part of the agency implementation plans. The dunning procedures include defining the minimum days in arrears. The State's minimum days in arrears is 30 days.

From time to time the State may be delinquent in its payment to vendors. In these cases the State may charge itself interest as a penalty. The two methods for calculating interest on vendor accounts are:

- Interest calculation on the balance
- Interest for days overdue

The business blueprint workshop participants determine that the State will calculate interest based on days overdue. Interest is calculated and included on the dunning letter. No interest charges are posted to the General Ledger. The determination of interest as defined in the South Carolina laws includes many factors such as date of approval of invoices (i.e. acceptance of goods or services) and business days since approval. While the decision was made to calculate interest, the State is not always obligated to pay the interest. During the testing cycle, the project team will review the decision and expected outcome with the actual outcome to determine whether the initial conclusions are inline with State laws.

The following must be defined for interest calculation:

- Interest Calculation Types
- General conditions for the Interest Calculation Types
- Conditions dependent on the time and amount (if necessary)
- Usage of reference interest rates (if required)
- Forms for the Interest Calculation Types

When interest calculation is activated for a dunning level, the program charges interest only if the minimum interest amount is exceeded. The State’s minimum interest amount will be set at zero.

A vendor is always dunned for the first time at Level 1. An item cannot be dunned at the next level until it meets that levels Days in Arrears setting. The dunning level Days in Arrears setting and Minimum Days in Arrears setting in the General Information section impact the manner in which the system determines whether an item should be dunned. The example below illustrates how the system will determine if an item should be dunned:

- Minimum Days in Arrears: 30 days
- Grace Period: 3 days
- Dunning Level 1: 35 days
  - The SCEIS solution will not dun until an item is 35 days overdue. It will then dun all items that exceed the grace period.
  - The SCEIS solution will continue dunning in this predefined interval until the items are cleared or the system is told not to dun the item any longer.

As mentioned earlier, the dunning level can only be upgraded one level at a time. The open item with the highest dunning level determines the text in the dunning letter except when the dunning program is configured to create a dunning letter by dunning level.

Minimum Amounts define an overdue threshold of the total Account Balance, which must be exceeded to reach a dunning level. Minimum amounts are defined for a dunning level by currency. If the balance to be dunned for a dunning level is higher than the minimum amount and the minimum percentage then the System will trigger the corresponding dunning level. The minimum percentage defines how much of the amount is overdue related to the total outstanding balance. Both the minimum amount and minimum percentage will be set at zero for the State.

For each dunning level, it is possible to define an amount or percentage to be charged if the minimum amount for dunning is exceeded. A dunning charge is used to cover the postage and handling of dunning letters. For every dunning level, a dunning charge can be specified based on the overdue amount to be dunned. Dunning charges are not posted to the General Ledger. The State will have three dunning levels, but not all levels will contain a dunning charge. A Form must be specified for each dunning level. The State will create three separate forms during Realization, one for each dunning level.

Special General Ledger

Please see the Special General Ledger section of the General Ledger component for a full discussion on the Special General Ledger. As the Special General Ledger relates to Accounts Payable, the State will use the down payment functionality of the Special General Ledger.

Procurement Cycle

The Accounts Payable sub-module processes vendor accounting transactions. It is an integral part of the Procurement Cycle, because purchasing transactions automatically update various accounts in the Financial Accounting module. Invoices from vendors also update financial planning and cash management data used to plan cash requirements.

A Goods Receipt transaction is processed when the item ordered through the procurement process has been delivered to the recipient. When a Goods Receipt is posted, an Accounting Document is created to record the financial impact of Goods Receipt and a Material Document to record changes in physical inventory balance, if applicable.

The result of the accounting posting is a debit to the stock account and a credit to the GR/IR (Goods Receipt/Invoice Receipt) clearing account. The GR/IR Clearing Account is a holding account to which the payment obligation is posted before the actual vendor invoice is received or posted.

The Invoice Verification process in the Materials Management Module passes information from matched vendor invoices to the Financial Accounting Module, which automatically creates an accounts payable entry in the General Ledger. For items where a Goods Receipt was processed, the invoice document creates a debit in the GR/IR Clearing accounting and a corresponding credit in the appropriate Reconciliation (General Ledger) Account defined in the vendor master record. The credit entry remains open until a vendor payment is processed.

Vendor payments can be processed automatically using the payment program or manually. The payment program is designed to maximize cash discounts when paying vendor open items. The results of posting a vendor payment include:

- Creation of a Payment Document that:
  - Creates a debit in the vendor (subledger) account and the appropriate reconciliation (general ledger accounts payable) account.
  - Creates a credit to the General Ledger Cash Account linked to the House Bank from which the payment was made.
- Matching the vendor payment against the open vendor invoice in the vendor account and clearing them against each other

Several variance limits can be set in MM Invoice Verification Customizing. When an invoice is posted, these tolerance limits are checked:

- Quantity Variances: delivered quantity minus previously invoiced quantity not equal to invoice quantity
- Price Variances: purchase order price not equal to invoiced price (or invoiced amount/invoiced quantity)
- Schedule Variance: planned delivery date is later than the invoice posting date

When comparing the invoice to the goods receipt, if the invoiced quantity is larger than the delivered quantity, the system expects another Goods Receipt. If the delivered quantity is larger than the invoiced quantity, the system expects another vendor invoice. If no more goods are received or invoiced, a balance will remain in the GR/IR Clearing Account. This balance must be cleared in one of three ways:

- Return the extra goods to the vendor

- Cancel the invoice
- Clear the GR/IR Clearing Account directly

For each Tolerance Key and Company Code, upper and lower absolute tolerances as well as upper and lower percentage tolerances can be set. Many of the variances actually depend on the total dollar amount of the variance. The State will set its tolerances at zero.

For Purchasing Card activity, please see the Material Management section of this document.

Outgoing Payment Processing is the final step in the Procurement Cycle. The system employs an automated payment program that provides full functionality for processing vendor payments.

Overview of the Outgoing Payment Program:

- Reviews all Open Items of selected vendors
- Ranks these Open Items based upon Payment Terms and Days Outstanding
- Creates a Proposal Run after which the user can select Open Items to pay and to block
- Runs the final program. (All related journal entries are posted, bank data is updated, and the checks are created)

Certain fields in vendor master records must be maintained such as payment terms, preferred method of payment, blocked vendor, etc.. These settings enable the Payment Program to process payments automatically. At least one payment method must be entered in either the master record or the open item. The payment method specified in the open item overrides any additional specifications made in the master record or in the Payment Program Online Parameters. A payment block must be entered in the master record if the user wants all of the open items related to this master record to be blocked. Payment blocks can also be specified for an open item. The central group responsible for the vendor master will handle maintenance of this information.

The Payment Program is controlled at three levels:

- Company Code parameters
- Payment Method parameters
- Bank parameters

The State will utilize each of the control levels to manage the payment program process.

Through configuration, different cash discount strategies for outgoing payments can be established:

- If the user wants to achieve the highest possible cash discount, the Always Maximize Cash Discount field must be selected. The Payment Program will then always pay in time to secure cash discount terms for items with this specification.
- If the user has specified a minimum discount percentage in the Outgoing Payment with Cash Discount field, the Payment Program only pays the items if it can secure the specified discount percentage in the current Payment Run. If this is not possible, the item is paid on the net due date.
- If the user wants to pay as late as possible, thus forgoing any cash discount, they should enter 99% as a minimum percentage rate when configuring the payment program. This setting ensures the system always pays net due.

Under General Specifications, the Minimum Amount and Form for the Payment Advice fields must be specified. By specifying minimum amounts, payments can be suppressed if the payment amount does not justify the expense incurred to process the payment. If the amount specified is not met, the open items are printed in an exception list (during the proposal run). The Payment Advice Form field allows the correct payment advice to be selected. The information includes fonts and page formatting of the payment advice. The Texts functionality allows texts to be assigned per Company Code to the payment forms. The text information includes letter header, footer text, signature, and sender information. Final decisions on how the payment program will be executed will be defined during realization.

Taxes

Tax functionality in the system is supported in the Materials Management and Financial Accounting modules. This functionality is the same, independent of document types. Therefore, when any processing that takes place where taxes are relevant, such as purchase orders and invoices, will be updated through the tax functionality.

The SCEIS solution provides for different forms of taxation systems:

- Tax on Sales/Usage: Tax on the full sales value of good
- Withholding tax: Tax deducted at source

Sales and Use Taxes have been included within the Materials Management section. Refer to that section for additional details on managing the taxes.

Tax intercept processing will be a manual process upon initial go-live. Should the State determine that an automated process is required, interfaces and update programs will be necessary to collect vendor data from other non-SCEIS solutions and update the vendor master record.

Withholding tax amounts must be reported to the IRS at regular intervals and a statement is also sent periodically to the vendor. The State must submit annual statements of withholding tax amounts to the vendors and the IRS by using the pre-printed forms 1099 Misc, 1099-G, 1099-INT, and 1042S. With the SCEIS solution, the State will create the 1099 and 1042S reports.

The State will use the withholding tax codes to specify the tax rates, the tax base, and any exemptions that apply. By doing so, the State can report to the IRS outgoing payments and withheld taxes for 1099 (Misc, G and INT) and 1042S vendors.

Process Flows

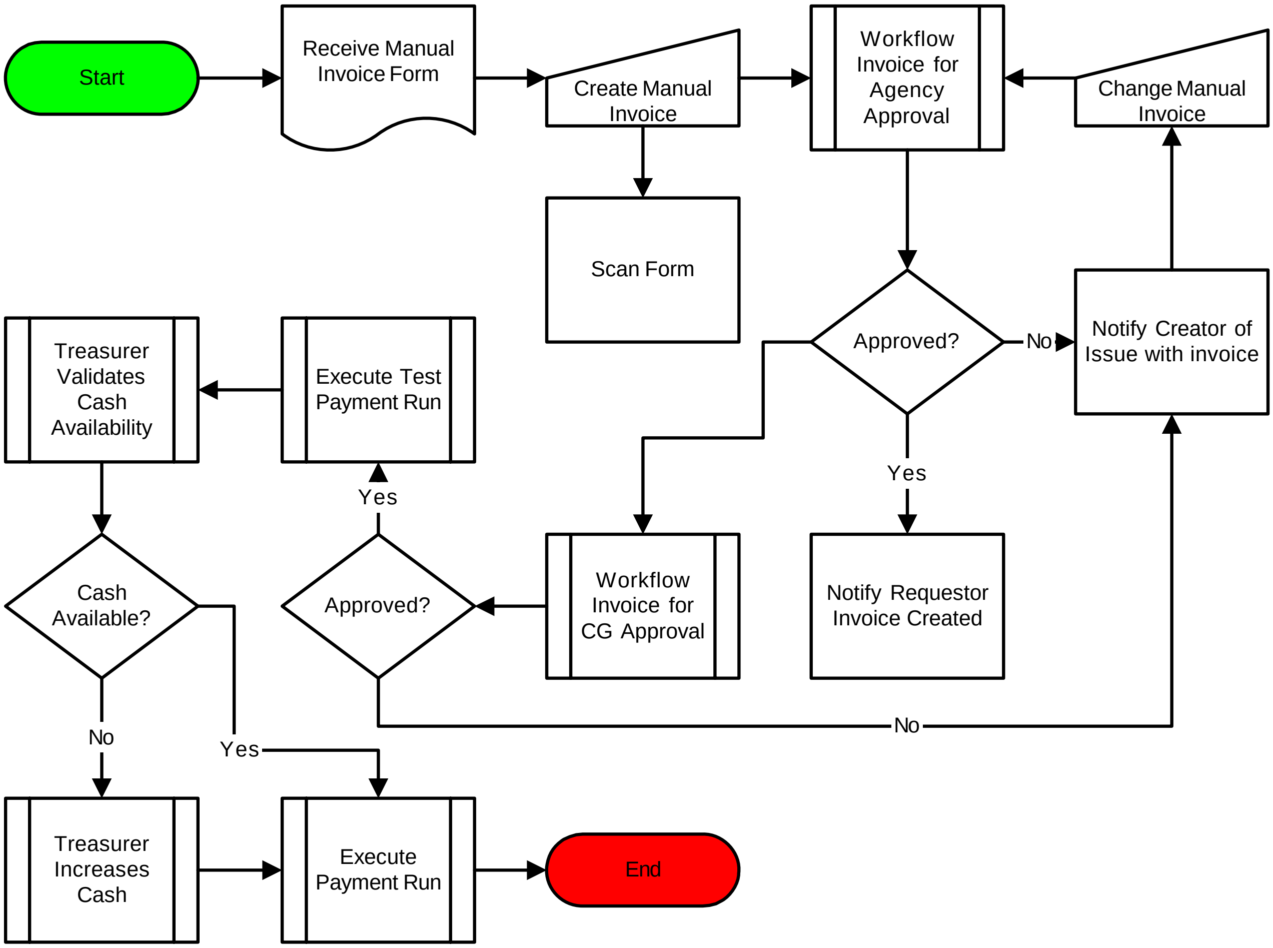
The business processes relating to the Accounts Payable sub-module include the following:

1. Vendor Create/Change – Please see the Materials Management section on Master Data

2. Invoice through Payment (Non-Travel. Please see Travel section for process flow). The procurement cycle typically ends as a vendor invoice is submitted for payment. The manual creation of an invoice begins with the submittal of the Manual Invoice form. Anyone can submit a Manual Invoice form to Accounts Payable as long as it has the proper authorizations from within the Agency prior to submittal. The authorization should at a minimum include a review as to whether the invoice is valid, complete and accurate. Authorizations may include signature, e-mail, voicemail, etc. The form contains all of the pertinent data required to enter a manual invoice, including date, vendor, amount, valid coding block and signature. Once Accounts Payable receives the form, Accounts Payable checks the form for completeness again. Then Accounts Payable enters the Invoice into the SCEIS solution. The SCEIS solution performs the system checks against the budget. Accounts Payable scans the Manual Invoice form and attaches it to the SCEIS solution document. The original requestor will be notified that the Invoice is created and will receive the document number. This notification should be electronic in nature so as to assure complete auditability. Based on predefined workflow rules, the

invoice now begins a process of organizational approvals. If the document is not approved it is rerouted back to the original requestor to update the invoice or remove it completely. If the document is approved at the agency level in the SCEIS solution, the invoice is then routed to the CG’s office for review. This review should be secondary in nature as the system has performed all availability checks, but not cash controls, prior to this point and the organization has approved the coding block as being accurate and appropriate. Should the document be rejected, it is rerouted back to the original requestor to update the invoice or remove it completely. Once all invoices have been approved for a particular time frame at the CG’s level a test payment run is executed by the STO. Based on the test payment run, the Treasurer validates cash availability. Should cash need to be moved or increased to cover the run, the Treasurer takes the necessary steps to make this happen. These steps could include liquidating short-term investments, having Agencies move cash by funds, etc. Once cash levels are validated the payment run is executed. This process is the same even for emergency payment runs.

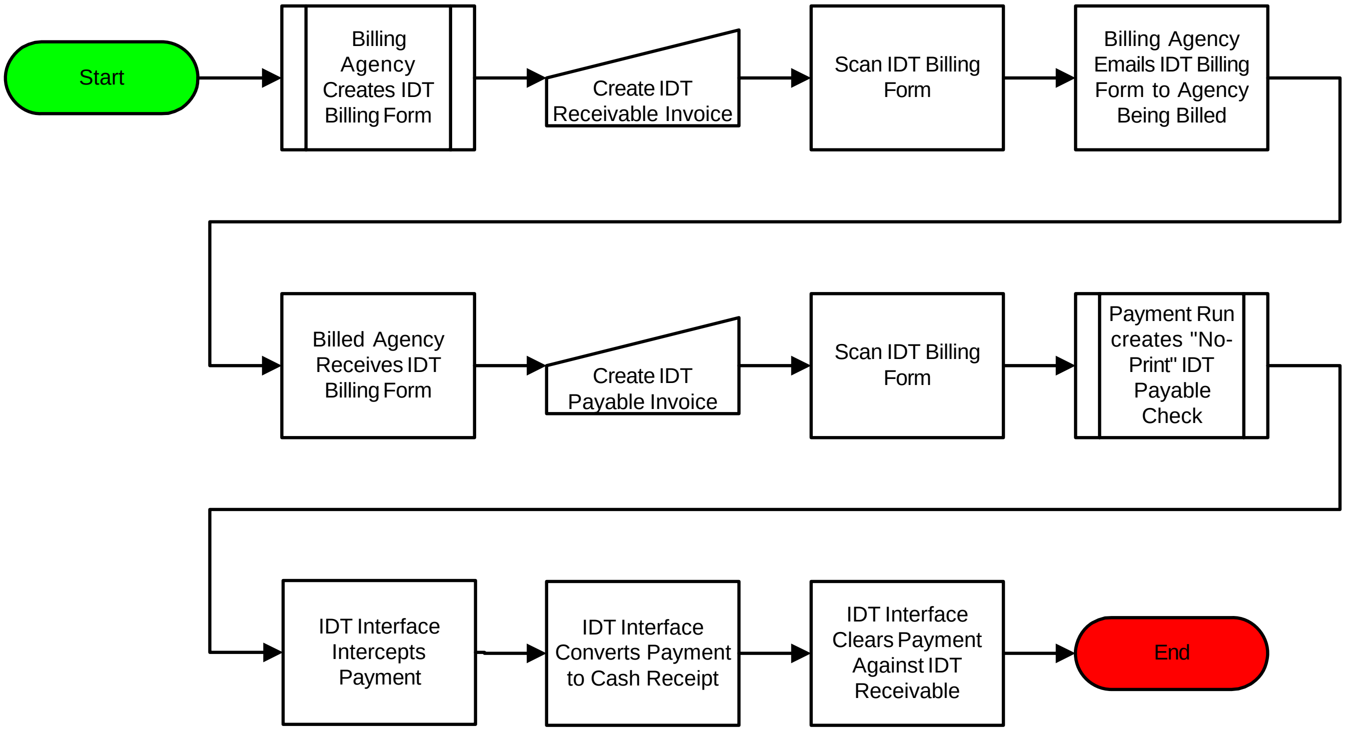
Exhibit 2.8.2-1 Invoice Through Payment Process


Start
Receive Manual Invoice Form
Create Manual Invoice
Workflow Invoice for Agency Approval
Change Manual Invoice
Scan Form
Approved?
No
Notify Creator of Issue with invoice
Yes
Notify Requestor Invoice Created
Treasurer Validates Cash Availability
Execute Test Payment Run
Yes
Workflow Invoice for CG Approval
Approved?
Cash Available?
No
Yes
No
Treasurer Increases Cash
Execute Payment Run
End

3. IDT Process. The State requires that the system be able to accommodate the IDT process. The SCEIS solution Best Practices stipulate that cost movements be performed to facilitate this activity allowing agencies to identify those movements as revenues or expenditures, where required. However, the State has chosen to use other functionality. The State’s process is identified below. The IDT process starts out when the billing agency creates the IDT Billing Form. This billing form contains all of the pertinent data required to enter an IDT, including date, vendor, amount, valid coding block and signature. The billing agency creates the IDT Receivable Invoice in the SCEIS solution, then scans and attaches the IDT Billing Form to the SCEIS solution IDT document. The billing agency then emails the IDT Billing Form to the billed Agency. The billed Agency creates an IDT Payable Invoice, and then scans and attaches the IDT Billing Form to the SCEIS solution IDT document. Based on parameters already configured for the payment

run, the SCEIS solution generates a “no-print” check posting to liquidate the IDT Payable Invoice. The IDT Interface then converts the payment into cash receipt, which posts to the receivable and clears the document. In order for the net impact on “Cash” for the State, the payment process and the IDT interface must run in the same daily cycle in order to minimize timing differences.

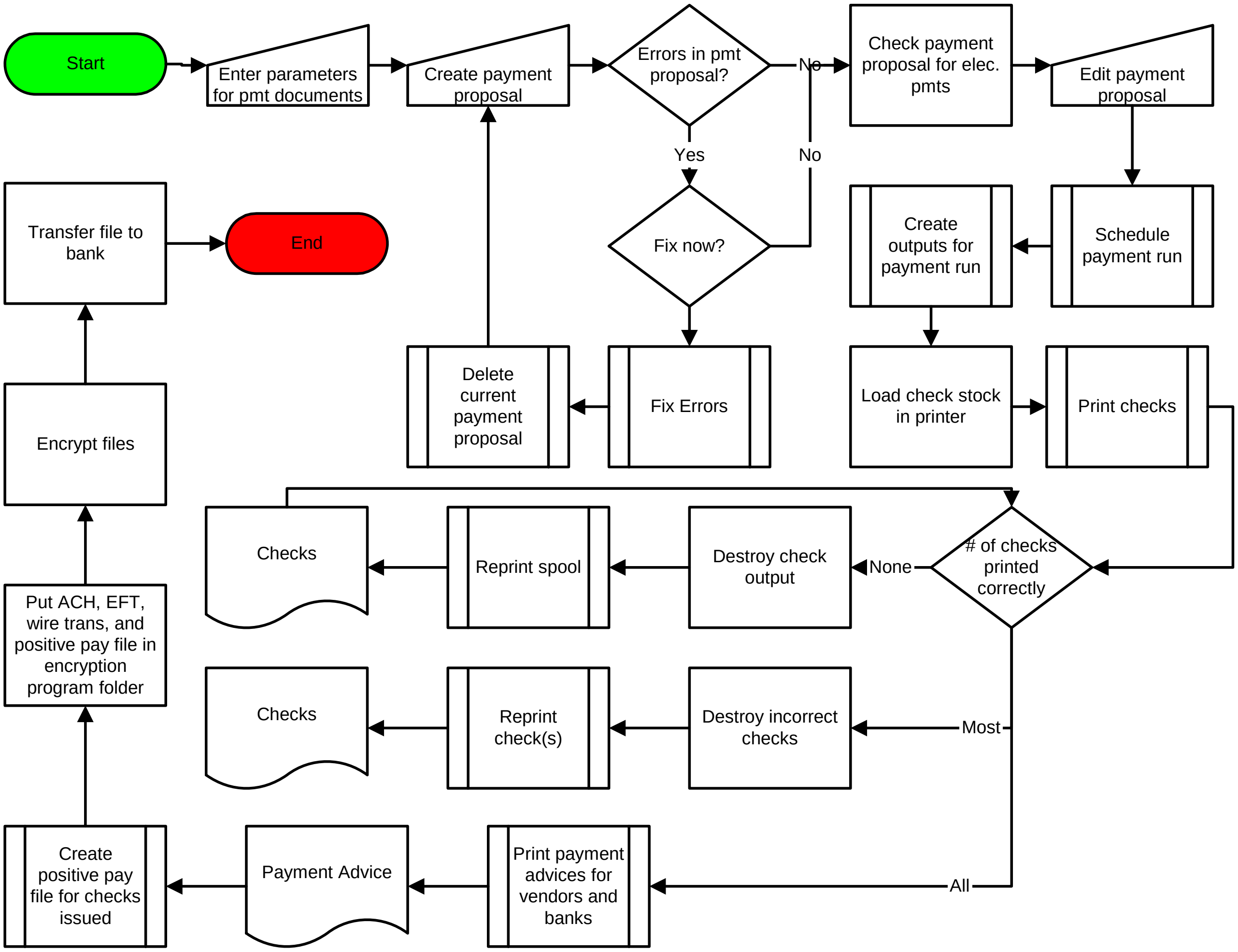
Exhibit 2.8.2-2 IDT Process


Start
Billing Agency Creates IDT Billing Form
Create IDT Receivable Invoice
Scan IDT Billing Form
Billing Agency Emails IDT Billing Form to Agency Being Billed
Billed Agency Receives IDT Billing Form
Create IDT Payable Invoice
Scan IDT Billing Form
Payment Run creates "No-Print" IDT Payable Check
IDT Interface Intercepts Payment
IDT Interface Converts Payment to Cash Receipt
IDT Interface Clears Payment Against IDT Receivable
End

4. Payment Run. The single most important process for automatically generating payments to vendors and refunds to customers is the payment run. The process begins by entering the parameters for the payment documents. These parameters may include Agency, Fund, Date, Amount, Document Type, etc. Once the parameters are set a payment proposal is created. The proposal should be reviewed for errors. If errors, such as date errors, vendor errors, etc, exist, the proposal must be regenerated until such time as there are no errors in the proposal in order to continue correctly, otherwise an error log will be generated which must be addressed at the end of the payment run. Once the proposal is free of errors, the proposal should be checked for electronic payments. Any edits should occur here, prior to the payment run. Payment runs cannot be reversed in mass so users must be 100% sure that the proposed run is accurate. Once validated as accurate, the payment run must be

scheduled. This should be a standard schedule as set forth by the State. The payment run should be executed and checks should be printed. Once checks are cut, checks should be validated against the proposal to ensure correctness. Any check printing errors should be addressed at this time. Once all checks have been printed correctly, the SCEIS solution records the entries as positive payments and generates all files required for electronic submission to the bank(s).

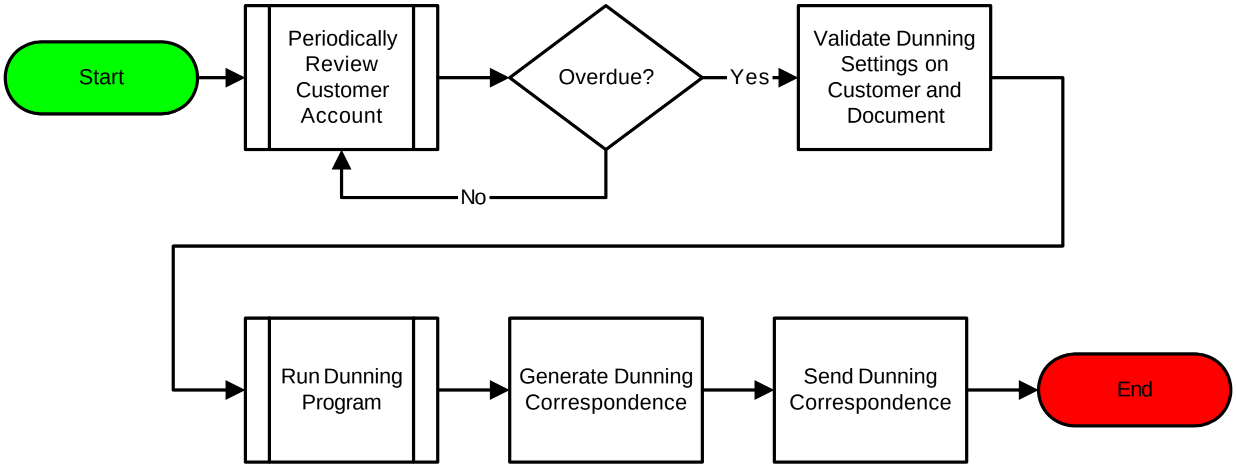
Exhibit 2.8.2-3 Payment Run Process


Start
Enter parameters for pmt documents
Create payment proposal
Errors in pmt proposal?
No
Check payment proposal for elec. pmts
Edit payment proposal
Yes
No
Fix now?
Create outputs for payment run
Schedule payment run
Transfer file to bank
End
Delete current payment proposal
Fix Errors
Load check stock in printer
Print checks
Encrypt files
Checks
Reprint spool
Destroy check output
None
# of checks printed correctly
Put ACH, EFT, wire trans, and positive pay file in encryption program folder
Checks
Reprint check(s)
Destroy incorrect checks
Most
Create positive pay file for checks issued
Payment Advice
Print payment advices for vendors and banks
All

5. Dunning. Periodic review of vendor accounts should occur to ensure that the State is using all open credits. If a vendor has not provided additional invoices to the State for the agency entitled to the credit, then the State may choose to dun the vendor. Validation of the dunning settings is required, not only at the account level but also at the document

level as well. The dunning program should be scheduled to run periodically thereby picking up any eligible accounts for dunning notices.

Exhibit 2.8.2-4 Dunning Process


Start
Periodically Review Customer Account
Overdue?
Yes
No
Validate Dunning Settings on Customer and Document
Run Dunning Program
Generate Dunning Correspondence
Send Dunning Correspondence
End

Benefits

The implementation of accounts payable functionality will serve to benefit the individual agencies as well as the central operations of the State jointly. Through the Accounts Payable workshops, a number of initial benefits for the functions were identified. These include:

- A single statewide vendor file will increase accuracy and eliminate duplication
- Additional reporting needs and payment information will allow the State to better manage its vendors
- Elimination of the required printing of a voucher. Only paper document in this process will be the original invoice, if not received electronically
- Increased efficiencies in processing payments
- No IDT’s will result in checks (i.e. eliminate the $1,000 threshold)
- Increase the efficiencies with processing invoices
- Order on payment runs should consider IDT’s first, so that revenues are recorded first
- Improved reporting, both agency and statewide
- Reduction in printing cost through the use of Business Warehouse

- Scheduled reports created and sent via email
- Improved efficiencies in processing between Agencies and Central Finance due to edits in one system
- Potential to leverage the paperless environment and archiving abilities
- All information coming from the system will be passed electronically, thereby, eliminating the manual process of paper movement today
- Eliminate the requirement for the Agency Finance Director to sign the payment request (i.e. today's voucher)
- CG will no longer receive “paper” voucher packet. Images will be forwarded electronically. No requirement to manually prepare supporting documentation for payment vouchers. System will automatically create voucher packet/payment request folder from imaged invoices

Business Requirements

The following set of business requirements represent items that were discussed during the Business Blueprint workshops that can be classified in one of the following categories: 1)A new requirement (i.e. not identified in the original RFP); 2)A previous requirement that responding to a solution that has changed significantly (i.e. grants); or 3)A previous requirement that should be reviewed carefully with the solution as it may not fall in line with the solution best practice. Please refer to the appendix of this document for the RFP requirements.

Default tolerance of zero on vendor master to prevent payments in excess of purchase order. As identified above the State will establish the tolerances at zero to prevent the overspending of a purchase order.

Streamlined mechanism to allow agencies to continue with procurement activities while waiting on W-9’s. The vendor master process will allow for the vendor to be established; however, the group responsible for central maintenance will not complete the vendor setup until the proper information is on file. This can be accomplished by blocking the vendor from payment.

Capture information on advancements so that the CAFR can be prepared as needed. The information on the General Finance section discusses the Special General Ledger that will support advances.

Eliminate the $1,000.00 requirement on IDT's. All Inter/Intra billings will be done via IDT (i.e. not check processing).

Provide the ability to setup a retainage by invoice, project, or contractor.

The State will only need one accounts payable reconciliation account. Reconciliation accounts are defined on the vendor master. Currently, only one has been identified; however, additional accounts may be established as required.

At least one level of system's approval must be at the agency before a document, proposed for CG review and payment, is received by the CG's Office. The discussion above on workflow includes the multiple levels available and needed for proper processing of a payment.

Reporting on Statewide Payables will be available.

Reporting

The system offers easy access to information on a real-time basis. Financial information can be reviewed by displaying the account balances and their line items as well as the documents that have been posted. Display parameters will determine the range of information for the account when displayed on the screen. For each period, the following is displayed:

- Total Debits
- Total Credits
- Balance DC (difference of debits and credits posted for the period)
- Account Balance (cumulative)

It is possible to drill-down from this view to see the Line Items that make up this balance and then the document that posted the Line Item. This is possible only if the Display Line Items indicator is marked in the General Ledger Account master record. This functionality is available for all vendor accounts.

The following are initial functions available when displaying Line Items:

- Line Item Selection: used to select the type of Line Item to be viewed:
    - Open
    - Cleared

  - All

- According to their type
  - Normal
  - Noted
  - Parked
  - Special General Ledger Transactions (For customer and vendor line items)
  - Vendor/Customer items (For customer and vendor line items)

The Accounts Payable workshops identified specific types of reporting needs for payable activities. Most of the accounts payable reporting needs will be supported through the usage of the SCEIS Solution and not through Business Warehouse functionality. The workshop subject matter experts from the State identified the following reporting requirements from Accounts Payable functions:

Exhibit 2.8.2-5 Accounts Payable Reporting Needs

Report Name	Description	Standard Report
Display Vendors	This report allows users to view vendor master information. This view can be for accounting information or for sales information depending on the parameters selected.	Display Vendor
Vendor Master Changes	This report allows users to view vendor master changes in a list format. This view is specific to accounting information changes only.	Display Vendor Changes
Outstanding Balance by Vendor	This report shows balance totals by period for a vendor or a group of vendors. Drilldown capability exists to go to the line items that make up the balances.	Display Balances
Vendor Line Items	This report shows a line item display for a vendor or a group of vendors. These items can be sorted or filtered based upon any of the business objects that are included in the individual line items.	Display Line Items
Vendor Listing	This list produces a complete list of vendor accounts and related fields. Users select which fields they want to see.	Vendor List
Vendor Aging Report	This report shows aged payables using user-defined parameters to populate the views.	Vendor Aging
1099 Report	This report shows all relevant 1099 information for each vendor. From this report, the State will generate all	1099 Report

Report Name	Description	Standard Report
	1099 forms for correspondence with their vendors.	

InfoCubes represent predefined sets of data that will be accessible for authorized users from the SCEIS Business Warehouse. The InfoCubes contain information that is transferred from the production system into a repository on a predefined basis. The cubes are standard cubes within the solution and will be reviewed by the project team to confirm applicability for the specific functional reporting need as identified above.

Exhibit 2.8.2-6 Accounts Payable InfoCubes

InfoCube Name	Purpose/Description
Accounts Payable: Line Items	This InfoCube contains all the Accounts Payable line items that were processed and the related header level based information. This information includes such items as dunning data, banking information and clearing data.
Accounts Payable: Transaction Data	This InfoCube contains all accounts payable data in an annual record form for each of the vendors processed in the solution.

Workflow

If a data entry clerk has parked a document, the clerk can manually contact the appropriate supervisor for approval of the parked document or use the SCEIS solution workflow capability. Listed below are the benefits of utilizing workflow:

- A tool for increasing the efficiency of office communication and organization
- Allows automated document release (posting the document) and/or approval procedures involving two persons
- Increases efficiency of business processes by linking tasks to employees or departments within the organization
- Reduces time and cost in managing business processes by coordinating people, work steps and the data to be processed
- Increases transparency and quality

Through workflow, multiple approval processes can be configured. When a document is parked, it is triggered by threshold amounts for release to be approved. Up to three levels of amount approvals are possible. The amount-based release procedure will determine which person of responsibility should be notified (the approval path between employees or organizational departments, must be configured), and the system will automatically place a message in the approver's mailbox to review the Parked Document. Upon review, the approver can either complete (insert additional required information, approve) or reject the Parked Document. If rejected, a mail message will be sent to the originator of the Parked Document. If completed, the Parked Document is ready to be posted (called "Release" in workflow).

If certain information is not available during document creation, the document can be saved as a Held Document. As with a Parked Document, when a Held Document is saved, no financial accounting entries are posted. Holding a document differs from parking a document in the following ways:

- The user assigns a temporary Document Number to the Held Document that is controlled by the user ID. Other users cannot view or change this held document.
- Held Documents cannot be viewed in Account Display. Held documents can only be displayed during standard document entry time using the Open Held Document push-button.

Imaging

Imaging requirements have been identified for the documents that impact the Accounts Payable processes. Imaging within Accounts Payable refers to the scan and capture of information that is required to be maintained for the payable document based on specified business rules or other requirements. The following table identifies the types of documents and information to be included in the imaging process and the point in the process to which the imaging activities would generally occur.

Exhibit 2.8.2-7 Accounts Payable Imaging Integration Points

Scanned Documentation	Approval Process	Imaging Integration Point
Manual Payable Entry Form	Yes	Agency personnel would attach the form submitted to the Account Payable supervisor after the invoice has been created and while the invoice is in the pending status for approval.
Vendor Master Data Form	Yes	Agency personnel would attach the form submitted to the Account Payable supervisor after the vendor master record has been created and while the vendor record is in the pending status for approval.
Invoices	Yes	Agency personnel would attach the invoice submitted to the Account Payable supervisor after the invoice has been created and while the invoice is in the pending status for approval.
Credit Memos	Yes	Agency personnel would attach the credit memo submitted to the Account Payable supervisor after the credit memo has been created and while the credit memo is in the pending status for approval.
Vendor Correspondence	No	Agency personnel would attach any vendor correspondence such as dunning letters, account statements, official letters, etc to the vendor master record as a part of a recordation of activities.
Any additional relevant Manual Payable documentation	No	Agency personnel would attach any additional vendor documentation deemed appropriate by the supervisor to the vendor master record as a part of a recordation of activities.

User Roles

Based on the business processes supporting Accounts Payable, the following standard roles have been identified. Within Accounts Payable, supporting team members have been identified in the business processes to create transactions to support the fulfillment of the payable processes.

Exhibit 2.8.2-8 Accounts Payable Standard User Roles

User Role	Description
Central Accounts Payable Master Data Maintenance	Users will be able to create and change various master data elements, such as vendor information, payment terms and dunning information.
Agency Accounts Payable Accountant	Users will be able to process Account Payable documents including invoices with reference, direct payables, credit memos and vendor matching. Users will not be able to approve Accounts Payable documents or generate the Payment Run.
Agency Accounts Payable Supervisor	Users will have access to view and approve all Accounts Payable documents including invoices with reference, direct payables, credit memos and vendor matching. Users will not be able to create Accounts Payable documents or generate the Payment Run.
Central Accounts Payable Periodic Processor	Users will perform periodic processing functions in the Accounts Payable module, such as scheduling dunning and printing correspondence. Users will have access to generate the payment run. Users will not be able to create any other Accounts Payable documents.
Agency/Central Accounts Payable Viewer	Users will be able to view most transactional data in Accounts Payable, as well as execute reports, such as vendor balances, vendor lists, and open and cleared items.
Central Accounts Payable Auditor	Users will be able to perform audits to Accounts Payable documents and approve / disapprove as necessary.